

THE CITY OF WARWICK
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

NO..... DATE.....

APPROVED.....MAYOR

**RESOLUTION AUTHORIZING A SUPPLEMENTAL APPROPRIATION OF THREE
MILLION NINE HUNDRED EIGHTY FIVE THOUSAND FOUR HUNDRED
SEVENTYFOUR DOLLARS FOR THE WARWICK SCHOOLS FOR THE
FISCAL YEAR BEGINNING JULY 1, 2019 AND SUPPORT DEVELOPING A DEFICIT
REDUCTION PLAN IN CONJUNCTION WITH THE AUDITOR GENERAL
AUTHORIZING REPAYMENT FOR THE DEFICIT IN THE FISCAL YEAR THAT
ENDED ON JUNE 30, 2019**

Resolved that,

WHEREAS, the health, safety and welfare of the citizens of the City of Warwick are matters of paramount importance to the City Council; and

WHEREAS, there has been a long running disagreement between the Warwick School Committee and the City over the question of whether the School Committee has adequate funding for the Warwick School Department for fiscal years 2018-2019 and fiscal year 2019-2020; and

WHEREAS, the Warwick School Committee asserted that it needed an additional \$4 Million for the fiscal year that ended June 30, 2019 and has asserted that it needed \$7.7 Million in additional funding for fiscal year 2019-2020 and the City have denied that the additional funding was necessary for either fiscal year;

WHEREAS, the City Council and the Warwick School Committee desire to resolve the funding issues for the two fiscal years; and

WHEREAS, Section 5-23 of the Warwick City Charter entitled "Emergency Appropriations" provides that:

At any time in any fiscal year, the council may make emergency appropriations to meet a pressing need for public expenditure, for other than a regular or recurring requirement, to protect the public health, safety, or welfare. Such appropriation shall be by resolution adopted by the favorable votes of at least five (5) members of the council, and shall be made only upon recommendation of the mayor; and

WHEREAS, within the parameters set forth herein, the City Council and the Mayor has recommended that:

1. The City and school committee shall work on a deficit reduction plan that satisfies the auditor general.

1. ~~That the \$4 Million needed by the School Department to fund the deficit in fiscal year 2018-2019 be repaid to the City without interest at \$1 Million per year commencing July 1, 2019; and~~
2. A supplemental appropriation of Three Million Nine Hundred Eighty-five Thousand Four Hundred Seventy-four (\$3,985,474.00) Dollars be made to the School Department by the City for the fiscal year 2019-2020 to fund items No. 1 through No. 17 on the Exhibit attached hereto with the money being drawn from the City's funds as follows:

<u>Account</u>	<u>Account Title</u>	<u>Exp. Increase</u>	<u>Exp. (Decrease)</u>
12-360	Profess Services		(\$350,000)
18-400	Contingency		(\$40,000)
20-549	2018 Lease		(\$328,578)
63-290	Asphalt		(\$3,000,000)
75-198	Contractual Obligations		(\$266,896)
89-000	Appropriation	\$3,985,474	
Total Revenue & Expense Modifications		\$3,985,474	(\$3,985,474)

~~\$1,000,000 from the contingency line item;~~
~~\$1,000,000 from the City's Fund Balance;~~
~~\$1,085,474 from the road paving line item;~~
~~\$ 600,000 from the legal department; and~~
~~\$ 300,000 from the fire department overtime line item; and~~

WHEREAS, the parameters for this repayment and supplemental appropriation are the following:

1. The Warwick School Committee and the City will execute mutual releases acknowledging that the repayment terms stated herein and the supplemental appropriation described herein are in full settlement of any and all claims that the School Committee has for additional funding for fiscal years ~~2018-2019 and 2019-2020~~; and
2. The Warwick School Committee will conduct a thorough review of each of its budgeted line items in comparison to comparable districts, such as Cranston, and to prepare a detailed report of such, which it will disseminate to the City Council at least six (6) months prior to submitting its proposed budget for the 2020-2021 academic year; and
3. The Warwick School Committee will develop a plan of action to reduce expenditures, and will prepare a detailed report of such, which it will disseminate to the City Council at least four (4) months prior to submitting its proposed budget for the 2020-2021 academic year; and

- 75 4. The Warwick School Committee will allow the City Council or its designated
76 representatives to participate in the entirety of the process for both the above stated
77 review and the development of a plan of action, without limitation.
78

79 WHEREAS, the City Council has 3determined that the above referenced ~~repayment and~~
80 supplemental appropriation to the Warwick School Department for the fiscal year ending June
81 ~~30, 2019 and for the fiscal year~~ that commenced on July 1, 2019 should be approved.
82

83 NOW, THEREFORE BE IT RESOLVED that the Warwick City Council hereby:
84

85 **1. The City and school committee shall work on a deficit reduction plan that satisfies**
86 **the auditor general.**

87 ~~1. Authorizes that the \$4 Million needed by the School Department to fund the deficit in~~
88 ~~fiscal year 2018-2019 be repaid to the City without interest at \$1 Million per year~~
89 ~~commencing July 1, 2019;~~

- 90 2. Appropriates Three Million Nine Hundred Eighty-five Thousand Four Hundred Seventy-
91 four (\$3,985,474.00) Dollars to the School Department by the City for the fiscal year
92 2019-2020 to fund items No. 1 through No. 17 on the Exhibit attached hereto with the
93 money being drawn from the City's funds as follows:
94

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105 ~~\$1,000,000 from the contingency line item;~~

106 ~~\$1,000,000 from the City's Fund Balance;~~

107 ~~\$1,085,474 from the road paving line item;~~

108 ~~\$ 600,000 from the legal department; and~~

109 ~~\$ 300,000 from the fire department overtime line item;~~
110

111 with the following parameters:

- 112 1. The Warwick School Committee and the City will execute mutual releases
113 acknowledging that the ~~repayment terms stated herein and the supplemental~~
114 appropriation described herein are in full settlement of any and all claims that the
115 School Committee has for additional funding for fiscal years ~~2018-2019 and 2019-~~
116 ~~2020;~~ and
117 2. The Warwick School Committee will conduct a thorough review of each of its
118 budgeted line items in comparison to comparable districts, such as Cranston, and to
119 prepare a detailed report of such, which it will disseminate to the City Council at least
120 six (6) months prior to submitting its proposed budget for the 2020-2021 academic
121 year; and

- 122 3. The Warwick School Committee will develop a plan of action to reduce expenditures,
123 and will prepare a detailed report of such, which it will disseminate to the City
124 Council at least four (4) months prior to submitting its proposed budget for the 2020-
125 2021 academic year; and
126 4. The Warwick School Committee will allow the City Council or its designated
127 representatives to participate in the entirety of the process for both the above stated
128 review and the development of a plan of action, without limitation.
129

130 The City Clerk is hereby directed to forward a copy of this Resolution to the members of
131 the Warwick School Committee, the Superintendent of the Warwick School Department, the
132 Finance Director of the City and the Mayor.
133

134 This Resolution shall take effect upon passage.
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136
137

138 SPONSORED BY: COUNCILMAN MEROLLA
139 COUNCILMAN SINAPI
140 COUNCILMAN CORLEY
141 COUNCILMAN RIX
142 COUNCILMAN HOWE
143 COUNCILMAN MCELROY
144 COUNCILMAN LADOUCEUR
145 COUNCILWOMAN TRAVIS
146 COUNCILMAN MCALLISTER

147
148 COMMITTEE: FINANCE